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**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

In re:

BED BATH & BEYOND INC., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 23-13359 (VFP)

(Jointly Administered)

**DEBTORS' APPLICATION IN LIEU OF MOTION IN  
SUPPORT OF ENTRY OF STIPULATION AND CONSENT ORDER  
AUTHORIZING ABANDONMENT OF CERTAIN PERSONAL PROPERTY**

<sup>1</sup> The last four digits of Debtor Bed Bath & Beyond Inc.'s tax identification number are 0488. A complete list of the Debtors in these Chapter 11 Cases and each such Debtor's tax identification number may be obtained on the website of the Debtors' claims and noticing agent at <https://restructuring.ra.kroll.com/bbby>. The location of Debtor Bed Bath & Beyond Inc.'s principal place of business and the Debtors' service address in these Chapter 11 Cases is 650 Liberty Avenue, Union, New Jersey 07083.

TO THE HONORABLE JUDGE VINCENT F. PAPALIA UNITED STATES  
BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY:

The above-captioned debtors and debtors in possession (collectively, the “Debtors”), by and through their undersigned co-counsel, Cole Schotz P.C., and Kirkland & Ellis LLP and Kirkland & Ellis International LLP (collectively, “Kirkland”), respectfully state the following in support of this application (the “Application”), pursuant to D.N.J. LBR 9021-1(b), seeking the approval and entry of the proposed *Stipulation and Consent Order Authorizing Abandonment of Certain Personal Property* (the “Proposed Stipulation”),<sup>2</sup> a copy of which is attached hereto as **Exhibit 1**, and respectfully state as follows:

1. On April 23, 2023 (the “Petition Date”), each Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On April 24, 2023, the Court entered an order [Docket No. 75] authorizing procedural consolidation and joint administration of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). On May 5, 2023, the United States Trustee for the District of New Jersey (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Committee”) [Docket No. 218].

2. On or about October 1, 2021, Federal Heath Sign Company, LLC (“Federal Heath”) agreed, at the Debtors’ request, to serve as a staging area for certain third-party vendor signage (the “Third-Party Inventory”) to be sold and delivered to the Debtors, in exchange for a fee per vendor, per store, paid by the Debtors. Accordingly, from time to time, Federal Heath has held

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Proposed Stipulation.

Third-Party Inventory on behalf of the Debtors at its facility in Rochester Hills, Michigan and certain offsite storage facilities near the facility (collectively, the “Rochester Hills Facility”).

3. As of the date hereof, Federal Heath continues to hold certain Third-Party Inventory at the Rochester Hill Facility on behalf of the Debtors that was delivered to the Rochester Hills Facility between the fourth quarter of 2021 and the second quarter of 2022. Due to the disruption of the Debtors’ businesses and the Debtors’ prepetition liquidity shortage, the Debtors were unable to coordinate delivery of the remaining Third-Party Inventory.

4. On or about April 14, 2023, the vendors that had delivered the remaining Third-Party Inventory to Federal Heath requested that Federal Heath dispose of the Third-Party Inventory remaining at the Rochester Hills Facility. On April 14, 2023, Federal Heath requested that the Debtors provide instructions on whether to dispose, deliver, or return the Third-Party Inventory. On April 21, 2023, the Debtors provided instructions on which Third-Party Inventory Federal Heath may dispose of or return and which Third-Party Inventory Federal Heath should continue to store.

5. On May 12, 2023, Federal Heath sent a letter to the Debtors demanding that the Debtors remove all Third-Party Inventory they wish to retain immediately and to otherwise confirm that Federal Heath may dispose of or return any remaining Third-Party Inventory. Federal Heath further asserted that it is entitled to, among other things, certain administrative priority claims pursuant to sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code.

6. Federal Heath is also in possession of certain signage that the Debtors ordered for delivery from Federal Heath, but the Debtors have yet to request such delivery (the “Federal Heath Inventory”). The Federal Heath Inventory is located at the Rochester Hills Facility and at Federal Heath’s Euless, Texas plant.

7. Federal Heath and the Debtors (collectively, the “Parties”) desire and agree on the form of the Proposed Stipulation setting forth the Debtors’ abandonment of the Third-Party Inventory and the Federal Heath Inventory (collectively the “Abandoned Property”) and Federal Heath’s authority to dispose of or otherwise use the Abandoned Property in its sole discretion.

8. Abandoning the Abandoned Property will benefit the Debtors’ bankruptcy estates by, among other things, resolving certain administrative priority and lien claims asserted by Federal Heath, disposing of property of minimal or no material value or benefit to the Debtors’ estates, and avoiding costs to the Debtors’ estates related to the removal, storage, and disposition of the Abandoned Property.

9. The Parties have agreed to the terms of the attached Proposed Stipulation.

10. The Debtors submit that the Proposed Stipulation is in the best interest of the Debtors and their estates.

11. This Application is submitted pursuant to D.N.J. LBR 9021-1 (b) in lieu of a motion in support of the Debtors’ request that the Court enter the Proposed Stipulation as presented.

12. No previous application for the relief sought herein has been made to this or any other Court.

*[Remainder of Page Intentionally Left Blank]*

**WHEREFORE**, the Debtors respectfully request that the Court enter the Proposed Stipulation, in substantially the forms submitted herewith, granting the relief requested herein and such other relief as is just and proper under the circumstances.

Dated: June 22, 2023

*/s/ Michael D. Sirota*

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